

Message Text

UNCLASSIFIED

PAGE 01 TANANA 00253 261943Z

61

ACTION AF-18

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 TRSE-00 SS-20 NSC-10 SPC-03

INT-08 FMC-04 EA-11 EUR-25 FEA-02 DRC-01 /132 W

----- 044125

P 261350Z FEB 74

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC PRIORITY 6028

UNCLAS TANANARIVE 0253

E.O. 11652: N/A

TAGS: ETRN, MA, US

SUBJECT: GRAPHITE SHIPMENTS TO U.S.

REF: STATE 34818

1. WE HAVE RELAYED TO PRESIDENT LOCAL MINING INDUSTRY ASSOCIATION REFTEL RECOMMENDATION ABOUT DESIRABILITY OF SHIPPING GRAPHITE TO U.S. IN CONTAINERS. BUT I FEAR THIS MAY SIMPLY BEG QUESTION RATHER THAN SOLVE IT.
2. REAL ISSUE IS WHETHER U.S. MANUFACTURERS (WHO I HAVE BEEN TOLD REGARD MALAGASY GRAPHITE AS ABSOLUTELY ESSENTIAL TO STEEL MANUFACTURE) WILL BE ABLE CONTINUE GET WHAT THEY NEED, OR WHETHER, SINCE WORLD DEMAND EXCEEDS PRESENT MALAGASY PRODUCTION, GRAPHITE WILL BE DIVERTED TO JAPAN AND EUROPE BECAUSE OF COMPLICATIONS IN SHIPPING TO U.S.
3. WE UNDERSTOOD FEW MONTHS AGO JAPANESE WERE TRYING OBTAIN LARGER QUANTITIES OF GRAPHITE BY OFFERING HIGHER PRICES THAN TRADITIONAL U.S. AND EUROPEAN PURCHASERS, BUT PRODUCERS IN MADAGASCAR WERE THEN RESISTING SWITCH AWAY FROM TRADITIONAL CUSTOMERS. IT IS VERY QUESTIONALBE WHETHER THEY WILL CONTINUE DO SO UNLESS PROBLEM OF SHIPPING TO U.S. EASED.
4. GRAPHITE DOES MOVE FROM MADAGASCAR TO EUROPE IN CONTAINERS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TANANA 00253 261943Z

THIS IS BECAUSE EUROPEAN EXPORTS TO MADAGASCAR ARE CONTAINERIZED,

AND CONTAINERS OTHERWISE RETURNING EMPTY CAN BE USED FOR GRAPHITE SHIPMENTS TO THAT DESTINATION.

5. HOWEVER, CONTAINERS FROM U.S. NOT AVAILABLE UNDER SIMILAR CIRCUMSTANCES FOR SHIPMENT GRAPHITE TO U.S.

6. MY SUGGESTIONS ARE AS FOLLOWS:

(A) THAT DEPARTMENT CALL TOGETHER U.S. USERS OF MALAGASY GRAPHITE (INCLUDING DIXON CRUCIBLE OF NEW JERSEY FOR WHOM 600 TONS NOW AWAITING SHIPMENT AT TAMAQAVE AND VESUVIUS CRUCIBLE WHOSE PRESIDENT PAID VISIT TO MADAGASCAR LAST OCTOBER AND IS EXTREMELY WELL ACQUAINTED WITH ALL ASPECTS MALAGASY GRAPHITE SITUATION, AS WELL AS SUPERIOR GRAPHITE MILLS, AND MUDUS) TO DISCUSS MEANS OF DEALING WITH SHIPPING PROBLEM.

(B) THAT, IN VIEW APPARENT REFUSAL IRANIAN LINES (NOW ONLY SHIPPING COMPANY OPERATING DIRECT SERVICE BETWEEN MADAGASCAR AND U.S.) TO HANDLE GRAPHITE UNDER PRESENT CIRCUMSTANCES, U.S. GOVT EXERT FURTHER EFFORT TO GET MOORE-MCCORMACK REINSTITUTE SERVICE TO MADAGASCAR AND PERHAPS USE CONTAINERS FOR AMERICAN EXPORTS TO MADAGASCAR WHICH MIGHT, IN TURN, BE USED FOR GRAPHITE SHIPMENTS TO U.S. IN THIS CONNECTION, STATE 25821 INFORMED US THAT MARITIME ADMINISTRATION TAKING UP SHIPPING SERVICE TO MADAGASCAR WITH MOORE-MCCORMACK, BUT WE HAVE HAD NO FURTHER WORD ON OUTCOME.

(C) THAT, AS INTERIM STEP TO TRY GET IRANIAN LINES HANDLE GRAPHITE NOW AWAITING SHIPMENT, DEPARTMENT REPLY TO QUERY IN TANANARIVE 0197 AS TO WHETHER U.S. DOCKWORKERS ARE IN FACT REFUSING HANDLE GRAPHITE AS NOW SHIPPED.

7. AKTEC DICTATING ABOVE, WE LEARNED FROM UNION CARBIDE REPRESENTATIVES NOW HERE TO EXPLORE GRAPHITE PROCUREMENT THAT THEIR FIRM WOULD LIKE INCREASE PURCHASES VERY SUBSTANTIALLY FOR USE IN POSEIDON PROGRAM, NUCLEAR ENERGY PLANTS AND EXPERIMENTAL ROTARY AUTOMOBILE ENGINE. THIS IS FURTHER INDICATION OF IMPORTANCE MALAGASY GRAPHITE TO U.S. ECONOMY.
MENDENHALL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO HANDLING, EXPORTS, ECONOMIC CONDITIONS, GRAPHITE, MINING INDUSTRY, STEEL PLANTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TANANA00253
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TANANARIVE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974027/aaaaagtv.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 34818
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAR 2002 by elbezejf>; APPROVED <03 DEC 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GRAPHITE SHIPMENTS TO U.S.
TAGS: ETRN, EMIN, MA, US, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005